

Pennsylvania's Best Investment: The Social and Economic Benefits of Public Education



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➤ The full report is available at http://www.elc-pa.org/pubs/pubs_funding.html

Abstract

Public education is a worthy investment for state government, with immense social and economic benefits. Research shows that individuals who graduate and have access to quality education throughout primary and secondary school are more likely to find gainful employment, have stable families, and be active and productive citizens. They are also less likely to commit serious crimes, less likely to place high demands on the public health care system, and less likely to be enrolled in welfare assistance programs. A good education provides substantial benefits to individuals and, as individual benefits are aggregated throughout a community, creates broad social and economic benefits. Investing in public education is thus far more cost-effective for the state than paying for the social and economic consequences of under-funded, low quality schools.

For example:

- High school dropouts are more than twice as likely to be unemployed and three times more likely to receive welfare assistance, costing billions of dollars nationally each year for government funded assistance programs.
- Decreasing the number of high school dropouts by half would nationally produce \$45 billion per year in net economic benefit to society.
- Improved education and more stable employment greatly increase tax revenue, such as a return of at least 7 dollars for every dollar invested in pre-kindergarten education.
- 41 percent of all prisoners have not completed high school, compared to 18 percent of the general adult population. The annual cost of incarcerating an individual is about \$32,000, while the annual cost of a quality public education is about \$11,000.
- Improving male graduation rates nationwide by only 1 percent would produce a savings of \$1.1 billion in the cost of crime involving prosecution, incarceration, lost wages, and reduced productivity for both victim and criminal.
- Graduating from high school improves the quality of health, reduces dependence on public health programs by 60 percent, and cuts by six times the rate of alcohol abuse.
- National savings in public health costs would exceed \$40 billion if every high school dropout in just a single year would graduate. Average annual public health costs are \$2,700 per dropout, \$1,000 per high school graduate, and \$170 per college graduate.

- Individuals who attend college participate in elections and vote at three times the rate of high school dropouts.